GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3160
ANSWERED ON:03.08.2017
Sale of Electricity to Railways at a Higher Price
Devi Smt. Veena

Will the Minister of POWER be pleased to state:

(a) whether an agreement has been signed to sell electricity to Indian Railways through Dabhol Power Project at the rate of Rs. 5.5 per unit upto next five years;

(b) if so, the details thereof;

(c) whether the said selling price of electricity is much higher than the selling prices applied to the other big buyers of electricity in the country;

(d) if so, the facts thereof;

(e) the reasons behind selling electricity at higher price; and

(f) the reasons due to which the cost of power generation in Dabhol Project is higher than the average cost of power generation?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (f) : Yes, Madam. Ratnagiri Gas & Power Pvt. Ltd. (RGPPL) has signed a Power Purchase Agreement (PPA) with Indian Railways for supply of 500 MW power at a fixed tariff of Rs.5.50 per unit for five years w.e.f 01.04.2017. The selling price of electricity by a power plant depends upon the cost of generation, which consists of the depreciation, the fuel cost, the O&M cost and the interest on capital etc. RGPPL is a gas based power plant. It was allocated 7.6 Million Metric Standard Cubic Meter per Day (MMSCMD) of domestic gas. However, due to non-availability of domestic gas, it is receiving only 0.6 MMSCMD of domestic gas. The balance requirement of gas is being met from imported Liquified Natural Gas (LNG), which is more expensive as compared to domestic gas.

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